SUPREME COURT, U. S.

Supreme Court, U. S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1973

No. 73-633

CELANESE CORPORATION AND FIBER INDUSTRIES, INC.,
Petitioners,

v.

THE HONORABLE ROBERT W. HEMPHILL, DISTRICT JUDGE,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

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TABLE OF CONTENTS

	Page
The Opinions Below	1
Jurisdiction	2
Questions Presented	2
Statutes and Rules Involved	2
Statement of the Case	3
Reasons For Granting the Writ	14
A. The Conflict as to the Duty of Federal Courts to Act in Aid of Civil Litigation in Sister Courts by Compelling Testimony and Document Production	15
B. The Conflicts With Precedent Foreclosing Penalties Absent Statutory Authorization	16
C. The Conflict as to "Good Cause"	17
D. Other Considerations	18
Conclusion	19

LIST OF AUTHORITIES CITED

Cases:	Page
Acker v. *Commissioner of Internal Revenue*, 258 F.2d 568 (6 Cir. 1958)	17
Adams Dairy v. *National Dairy Products Corp.*, 293 F.Supp. 1168 (W.D. Mo. 1968)	16
American Securit Co. v. *Shatterproof Glass Corp.*, 268 F.2d 769 (3 Cir. 1959)	15
Baca v. *Commissioner of Internal Revenue*, 326 F.2d 189 (5th Cir. 1964)	17
Byram Concretanks, Inc. v. *Warren Concrete Products Co.*, 374 F.2d 649 (3 Cir. 1967)	16, 17
Dowagiac Mfg. Co. v. *Lochren*, 143 F. 211 (8 Cir. 1906)	15
Duplan Corp. v. *Deering Milliken, Inc.*, 334 F.Supp. 703 (D.S.C. 1971)	5, 10
Edison Electric Light Co. v. *United States Electric Lighting Co.*, 44 F. 294 (C.C.S.D.N.Y. 1890)	15
Ex parte Uppercu, 239 U.S. 433 (1915)	9, 15, 17, 18
Fleischman v. *Maier Brewing Co.*, 386 U.S. 714 (1967)	17
Hoffman v. *Blaski*, 363 U.S. 335, 345 (1960)	19
Horizons Titanium Corp. v. *Norton Co.*, 290 F.2d 421 (1 Cir. 1961)	16
Hurtado v. *United States*, 410 U.S. 578 (1973)	16
McClure v. *Borne Chemical Co.*, 292 F.2d 824 (3 Cir. 1961)	17
Natta v. *Zletz*, 379 F.2d 615 (7 Cir. 1967)	19
Olympic Refining Co. v. *Carter*, 332 F.2d 260 (9 Cir. 1964)	15
Schlagenhauf v. *Holder*, 379 U.S. 104 (1964)	18
United States v. *Bryan*, 339 U.S. 323, 331-2 (1950)	16
United States v. *Simpkins*, 313 1045, 1048 (E.D. Tex. 1970)	17
Will v. *United States*, 389 U.S. 90 (1967)	18

LIST OF AUTHORITIES CITED—Continued

Statues:	Page
28 U.S.C. 1254(1)	2
28 U.S.C. 1651	2, 2a
35 U.S.C. 102(b)	7
Federal Rules of Civil Procedure:	
Rule 26	3, 6a
Rule 26(c)	2, 13, 15, 17, 18, 9a
Rule 30	3, 11a
Rule 34	3, 6, 12, 13, 14, 15, 18, 17a
Rule 35	15, 18
Rule 37	13
Rule 45	3, 13, 18a
Rule 83	3, 16, 20a
Proposed Federal Rules of Evidence:	
Rule 501	16
Other Authorities:	
Moore, Federal Practice (2d Ed.), Vol. 6, Sec. 54.73 (1972)	16

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v.

THE HONORABLE ROBERT W. HEMPHILL, DISTRICT JUDGE,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

Petitioners pray that a writ of certiorari issue reviewing the judgment of the Court of Appeals for the Fourth Circuit entered in the subject case on July 12, 1973.

THE OPINIONS BELOW

The opinion of the Court of Appeals for the Fourth Circuit, set forth in a one-page "order" (*infra*, 1a) filed July 12, 1973, is not reported. It denied issuance of a writ of mandamus and prohibition in respect to the likewise unreported "order" of the District Court for the District of South Carolina (*infra*, 2a) dated January 22, 1973.

JURISDICTION

The order of the court below denying petitioners' application for a writ of mandamus and prohibition is dated July 12, 1973. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

QUESTIONS PRESENTED

1. Does a federal district court have a duty to aid the search for truth in federal litigation by permitting any party to an action pending in a sister federal district court, on request, to inspect and copy at reasonable cost relevant, nonprivileged documents and things within its control?

2. Does one federal district court have power to exact penal sums as the price of permitting a party to a civil action pending before a sister federal district court to inspect and copy relevant nonprivileged documents and things within its control?

3. Under Rule 26(c) may a federal district court impose a protective order without good cause?

(a) If so, may such a protective order validly prohibit parties to a civil action in one federal district court

(i) from using the nonprivileged documents and things generated in that case or

(ii) producing them under Rule 34

in a second civil action involving the same general subject matter pending before a different federal district court, to which they are also parties?

STATUTES AND RULES INVOLVED

This case involves 28 U.S.C. 1651 (6a) and the interpretation of the Federal Rules of Civil Procedure relating to documentary discovery and testimony, especially Rules

26, 30, 34 and 45, (*infra*, 6a) as well as Rule 83 (*infra*, 20a)

STATEMENT OF THE CASE

Petitioners Celanese Corporation ("Celanese") and Fiber Industries, Inc. ("FII") are declaratory judgment plaintiffs in Civil Action 71-1026-Civ.-CA pending before the District Court for the Southern District of Florida as part of MDL Docket No. 82. Respondent, the Honorable Robert W. Hemphill, is a district judge for the District of South Carolina. The corporate respondents are the various parties to Consolidated Civil Action 71-306, styled as *Duplan Corporation et al.* v. *Deering-Milliken et al.*, which is pending in South Carolina before Judge Hemphill.

The case arises from the denial of a petition for writ of mandamus and prohibition in the court below on the ground that "The district court did not abuse its discretion in placing . . . conditions upon petitioners' access to" the nonprivileged documents and things—including deposition transcripts and exhibits, memoranda, documents produced by parties, pretrial motions, yarn and fabric samples, etc.—compiled and prepared in Consolidated Civil Action 71-306.

Access to these nonprivileged materials was sought by Celanese and FII for use in MDL No. 82 because the same general subject matter is in issue in both that litigation and Consolidated Civil Action 71-306—to wit, machinery and processes for false twist texturing of synthetic yarn.

In the Florida litigation, MDL No. 82, there are raised questions of whether some nine patents jointly controlled by Leesona Corporation, Lex-Tex Ltd., Inc. and Permatwist Company (the "Florida patent owners") are invalid, unenforceable and noninfringed. These nine patents pur-

port to cover so-called single and double heater false twist texturing equipment and methods and are particularly advanced by the Florida patent owners as covering Leesona false twist equipment and its mode of operation.[1] Consolidated Civil Action 71-306 in South Carolina is fundamentally concerned with whether some 21 patents jointly controlled by a group consisting of Deering-Milliken, Inc. ("DMI"), Deering-Milliken Research Corporation ("DM-RC"), Ateliers Roannais de Constructions Textiles ("AR-CT-France"), its United States subsidiary ARCT, Inc. and Moulinage de Retorderie de Chavanoz ("Chavanoz") (hereafter sometimes "the South Carolina patent owners") are invalid, unenforceable and noninfringed. The South Carolina patent owners contend that these patents generally cover ARCT false twist texturing equipment[2] and its mode of operation.

The patents in suit in Florida conflict and overlap with those in suit in South Carolina. The competing groups of patent owner parties have granted one another im-

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[1] The Judicial Panel on Multidistrict Litigation in transferring to Florida and consolidating there for coordinated pretrial some 35 cases originally filed in four different districts found that

> "The litigation is unusual and its prompt disposition is urgent to commerce in the very important double knit yarn (sometimes 'false twisting') industry because it involves primarily the validity of 6 basic patents which presently dominate the double knit yarn industry". *In Re Yarn Processing Patent Validity Litigation*, 341 F. Supp. 376, 377 (JPML 1972).

Three of the patents in the Florida case are subject to a summary judgment of invalidity entered May 3, 1973, now on appeal before the Court of Appeals for the Fifth Circuit in No. 73-2420. Misuse and antitrust issues relating to these patents are still outstanding in the trial court.

[2] Some of the patents in suit in South Carolina have already been declared invalid or unenforceable but because of secrecy attending the proceedings before that court, petitioners are not certain just how many fall in that category. We do know that two of the patents are subject to the decision of the Fourth Circuit in No. 73-1357 rendered September 27, 1973 affirming a district court summary judgment decision on invalidity.

munity from suit under their respective false twist patent packages in a world-wide settlement reached in 1964.[3]

To a considerable extent, there is commonality between the parties attacking the patents in both courts. Thus the Duplan Corporation, Texfi Industries, Inc., and Burlington Industries, Inc. including its affiliates Madison Throwing Company, Leon Ferenbach, Inc., and National Spinning Company, Inc. (hereinafter sometimes "the Burlington group") are opposing the Florida patent owners in MDL No. 82 and the South Carolina patent owners in consolidated Civil Action 71-306. These parties are represented in both courts by the same counsel. Moreover such counsel, jointly or severally, also represent those parties attacking the patents in South Carolina who are not parties to the Florida case.[4] Thus the South Carolina parties who are *not* involved in the Florida case have access, through their counsel, to *all* of the Florida proceedings and discovery.

Petitioners Celanese and FII are neither parties to the South Carolina case nor represented by counsel who also represent South Carolina parties.

Early in the South Carolina litigation, Judge Hemphill *sua sponte* imposed an oral protective order requiring all proceedings in Civil Action 71-306 to be held in confidence, unavailable to the public. This protective order specifically extends to deposition transcripts and exhibits, memoranda and exhibits filed incident motions before the court, nonprivileged documents produced by

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[3] See *Duplan Corp.* v. *Deering Milliken Inc.*, 334 F. Supp. 703 (D.S.C. 1971), especially fact findings 7 and 16 quoted *infra*, note 11, p. 10.

[4] For example, such parties as Olympia Mills, Dixie Yarns, Burkyarns, Inc., Spring-Tex, etc. who are *not* parties in Florida are represented by counsel who also represent parties common to both cases—and thereby they have full access to *all* Florida documentation, including depositions, exhibits, produced documents, etc.

the parties under Rule 34, interrogatories and answers, requests for admissions and answers and the like.

One of the particularly unfair results of this order is that the South Carolina deposition testimony and exhibits of witnesses called in both cases is unavailable to Celanese and FII,[5] who hence cannot properly prepare for trial in Florida. Even information emanating from parties opposing the patents is unavailable once it has been made of record in South Carolina.[6]

Celanese and FII are also effectively precluded from access to all relevant information emanating from the South Carolina patent owners, even though at least some portions of it constitute relevant prior art and state of the art information in the Florida case.[7] Other portions

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[5] Witnesses called to testify in both cases include but are not limited to Robert Leeson, Sr., Leesona's chief executive during most of the relevant time, Albert P. Davis, Leesona's house patent counsel since about 1950, Dennis A. E. Mattingly, a British national having prior art and state of the art knowledge about false twist texturing, H. M. Strub, Jr., technical director of Duplan, Joseph Hamilton, president of Texfi industries, Dalton McMichael, former president of Madison Throwing, Nicholas J. Stoddard, a co-inventor of five patents in suit in Florida, Harold Roberts, former president of Duplan and Carl Ferenbach of Leon Ferenbach.

In addition, efforts were made in both cases to take testimony of Warren A. Seem, a co-inventor of five of the patents in suit in Florida. These efforts failed in both courts due to Mr. Seem's alleged physical incapacity to testify.

[6] Witnesses known to have testified in South Carolina whose testimony is unavailable, though believed to be of a significant prior art nature vis-a-vis the patents in suit in Florida are Messrs. Carl Hemmerich, Eric Hemmerich, and a Mr. Ressel, all of whom are in privity with Hemmerich Industries, a party opposing the patents in South Carolina.

[7] Celanese and FII have repeatedly endeavored to take testimony of Henri Crouzet, Charles Crouzet and Yves de Moncuit, French nationals who are named inventors on many of the patents in suit in South Carolina and have been refused the right to do so by Judge Hemphill.

In addition, DMI and DMRC are known to possess information relevant to the validity of the patents in suit in Florida, including

of that information are needed by Celanese and FII to meet and dispose of charges advanced by Leesona in Florida that Celanese and FII conspired with ARCT and others in derogation of the antitrust laws to further the sale of ARCT false twist equipment and suppress sales of competing Leesona equipment.

In short, accessibility to the South Carolina proceedings is vital to proper preparation and trial of the Florida case on behalf of Celanese and FII.

In recognition of this fact, Celanese and FII on June 15, 1972, directed a letter to the Honorable C. Clyde Atkins, district judge presiding over the Florida litigation, with copy to Judge Hemphill, alerting both to the need for access to the South Carolina record and documents. This letter precipitated discussion at a pretrial hearing in Florida on July 14, 1972 at which Judge Atkins expressed the view "that if anybody here has documents that are involved in the South Carolina matter which were not produced on any confidential basis that would violate that Court's order, there ought to be cooperation on it" (Tr. 8).

Accordingly on July 24, 1972 Celanese and FII applied to Judge Hemphill, *inter alia*.

> ". . . to grant their counsel access to all papers and records of any nature in this case [*i.e.* the South Carolina case] which are not subject to sustained claims of privilege or other immunity from production, and including, without limitation, all proceedings, motions, memoranda of counsel, copies of depo-

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documentation showing public sampling of false twisted yarn by the Florida patent owners well over one year before their patent applications were filed and hence relevant under 35 U.S.C. 102(b). DMI and DMRC also have important information relevant to several items of prior litigation between the South Carolina patent owners and the Florida patent owners which involved patents now in suit in Florida and was settled by the world-wide agreements consummated in 1964. See note 11 *infra* p. 10.

> sitions, transcripts and exhibits . . . interrogatories, interrogatory answers, requests for admissions, responses to requests for admissions and produced documents."

The South Carolina court did not respond to this application in any way. On August 11, 1972, counsel for Celanese and FII telephoned Judge Hemphill's office in an effort to determine whether a hearing would be held and was ultimately referred to Judge Hemphill himself who stated that he intended to take no action whatever because he could not see that Celanese and FII had "any standing at all" in his court.[8] Celanese and FII thereupon on August 13, 1972, supplemented their petition to point out, *inter alia*, various rules and statutes imparting "standing". Subsequently, by notice dated August 29, 1972, Judge Hemphill set a hearing for December 7, 1972.[9]

Well in advance of the scheduled December 7, 1972 hearing, counsel for Celanese and FII requested all trial

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[8] The quotation is from a contemporaneous memorandum of the conversation made by Celanese and FII counsel which is part of the record below.

[9] Because the application as originally filed also sought leave to participate in the depositions of the French nationals referred to in note 7, page 6, *supra*, hereof, which depositions were scheduled to go forward in France in November 1972, Celanese and FII counsel then asked for and were denied an earlier hearing date. There ensued a petition for writ of mandamus to the Court of Appeals for the Fourth Circuit, No. 72-2084, seeking that Judge Hemphill be required to entertain and promptly decide the pending Celanese and FII request for relief.

Judge Hemphill was directed to answer and mandamus petition and did so. In addition, on October 23, 1972, and without any hearing, Judge Hemphill entered an order denying the request for leave to participate in the French depositions on the ground that Celanese and FII lacked "standing" to do so but deferring ruling on the Celanese and FII request for access to the proceedings in the South Carolina case pending the scheduled December 7, 1972 hearing. The petition for mandamus was thereupon dismissed by the appellate court on October 31, 1972.

counsel in the South Carolina case, in writing, to concur in an order granting them access to the proceedings in that case. Responses to these letters indicated that while no South Carolina party on either side of the case opposed access by Celanese and FII to the records and documents, no party was prepared to agree to the proposed order absent specific authorization from Judge Hemphill.

On December 2 and 6, 1972, Celanese and FII supplemented their request for access to the South Carolina proceedings with evidence and a supporting memorandum, *inter alia*, calling attention to this Court's decision in *Ex parte Uppercu*, 239 U.S. 433 (1915).

At the hearing on December 7, 1972, before Judge Hemphill, no party to the South Carolina case *opposed* granting Celanese and FII access to the South Carolina records and documents.[10] The South Carolina patent owner parties, however, took the position that Celanese and FII had "no standing" in South Carolina whereby such access should be obtained through the Florida court by Rule 34 request or subpoena to the parties common to both the Florida and South Carolina cases, thereby avoiding imposition upon Judge Hemphill of the alleged "burden" of permitting court records in the South Carolina Clerk's office to be examined and copied. (Tr. 6-8).

As Celanese and FII emphasized to Judge Hemphill at that time, "Judge Atkins is already on the record

[10] As early as June 23, 1972, Mr. John W. Malley, counsel for Burlington and its affiliates in both Florida and South Carolina, informed Judge Atkins in Florida "that it is not the throwsters [*i.e.*, Burlington and affiliates, Texfi, and Duplan] who object to Mr. Irons' access to documents in the South Carolina litigation. . . ."

At the December 7, 1972 hearing in South Carolina, Mr. Greenfield, counsel for the South Carolina patent owner parties, twice emphasized that his clients had no objection to producing for Celanese and FII counsel "anything that we have produced to Mr. Malley" (Tr. page 16); "anything which we have given to Mr. Malley" (Tr. page 17).

. . . that . . . the documents in . . . this case might be appropriately produced to me if it didn't interfere with any protective order which Your Honor has entered in this case [South Carolina]" (Tr. 9).

Judge Hemphill's ruling was rendered January 22, 1973 by written order (*infra*, 2a). This order states at the outset that "Petitioners claim to be parties in similar litigation now pending in the Southern District of Florida, the exact nature of which the court has neither the time, nor the curiosity, to ascertain".[11] Petitioners are roundly castigated because they "have taken up the valuable time of this court, away from the ordinary business pending in the District of South Carolina, in an effort to scavenge information in the process of

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[11] In actuality Judge Hemphill is and had long been very familiar with the pertinent facts demonstrating overlap between the Florida and South Carolina cases. See, *e.g.*, his own findings of fact 7 and 16 in *Duplan Corp.* vs. *Deering Milliken, Inc.*, 334 F.Supp. 703 (D.S.C. 1971) which read:

> "7. Another party to some of the basic contracts is Leesona Corporation of Warwick, Rhode Island. It is the only American manufacturer of competing machinery. It acquired from a partnership of alleged inventors (The Permatwist Company) certain other United States patents on the competing machinery." (334 F. Supp. at 706).
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> * * * *
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> "16. Beyond all these contracts, and beyond the regular systematic coordinated performance in South Carolina of these basic agreements between Chavanoz, ARCT-France, and the American agent in South Carolina—on March 31, 1964, the defendants ARCT-France and Chavanoz together with DMRC and Whitin Machine Works entered into a patent exploitation treaty with the only American manufacturer of competing machinery, Leesona Corporation. This treaty of March 31, 1964, terminated vigorous litigation then pending simultaneously in South Carolina and Massachusetts and guaranteed forever after that the parties would not attack each other while they both asserted their patent claims against the throwsters in this country. Thus, litigation which might have determined the validity and enforceability of some of these patents as early as 1964 was abated." (334 F. Supp. at 708).

development of which they gave neither their time, nor their financial support". In substance, the order denies access to papers in the custody of the Clerk of the South Carolina Court and directs that Celanese and FII may "negotiate" with counsel for South Carolina parties "for such information as counsel may possess" *but only* if petitioners first post with the Clerk of the Court surety bond in the "penal sum" of $50,000.00 as security for payment of punitive sums to be assessed by the court at an unspecified later time.

Celanese and FII posted the required penal bond on February 5, 1973, carefully specifying as follows:

> "Now therefore, the conditions of this obligation are such that this bond is executed without waiver or compromise of any right the said principals may have. . . ."

Thereupon, "negotiations" were had with counsel for parties opposing the patents in Civil Action 71-306. These negotiations were wholly unsatisfactory because counsel refused to permit preliminary inspection of the documents but would agree only to furnish copies of records on an "all or nothing basis." In addition, counsel refused to negotiate about the actual cost of copying, insisting that even this must be determined by Judge Hemphill.

Meanwhile, Judge Hemphill on February 14, 1973, during a session at which one of Celanese and FII counsel was present in the court as an observer, emphasized his intention to assess punitive sums against petitioners including at least expenses of various South Carolina parties incurred in making discovery—including expenses for attendance at their participation in depositions, expenses of filing discovery motions, etc.,—as well as court costs and expenses incurred incident to discovery motions and depositions in the South Carolina case. In so doing, Judge Hemphill again emphasized his conviction that petitioners have "no standing" in the South Carolina court.

Since the attempted negotiations could not be brought to completion in the circumstances, petitioners again applied to Judge Hemphill in a "Motion of Celanese and FII to Fix Costs" filed February 28, 1973 for an order permitting counsel to negotiate as to actual copy costs or alternatively asking that Judge Hemphill specify copy charges not in excess of the reasonable cost of copying. Though Judge Hemphill on March 5, 1973 promised in writing to "provide for a hearing here in Rock Hill, South Carolina . . . as soon as we start some continuing depositions" [12] he never did so.

Substantially concurrently, petitioners acted to protect their record in Florida by filing on February 15, 1973—the date set by Judge Atkins as the deadline for filing *all* Rule 34 requests—Rule 34 requests directed to those parties who are also parties to the South Carolina litigation, *i.e.*, Duplan, Texfi and the Burlington group. Subsequently, Judge Atkins at a pretrial hearing held March 22, 1973 announced a further deadline of December 1, 1973 for completion of pretrial discovery and a trial date of January 7, 1974. Letters dated March 26, 1973 and April 20, 1973, advising Judge Hemphill of this circumstance went unanswered, as did follow-up telephone calls seeking a hearing date on the Motion to Fix Costs.

Having no other choice, Celanese and FII on June 11, 1973 filed a further petition for writ of mandamus and prohibition No. 73-1690 in the Court of Appeals for the Fourth Circuit. The petition requested that Judge Hemphill be directed to permit petitioners free access to the South Carolina proceedings including court records and other documents, and to dissolve the penal bond, and that he be prohibited from assessing punitive sums of any nature as the alleged "cost" of furnishing copies of South

[12] These "continuing depositions" began about March 12, 1973 and have gone forward during much of the ensuing period.

Carolina documentation to petitioners. On June 19, 1973 the Court of Appeals directed an answer to the mandamus petition. Judge Hemphill's "answer" dated July 6, 1973 took the position that, petitioners being "interlopers" in South Carolina, both the original protective order and the order of January 22, 1973 were within the scope of discretion afforded the federal district courts under Rule 26(c). Judge Hemphill also argued that the question of appropriate costs should await completion of the South Carolina proceeding whereupon petitioners could appeal if dissatisfied with the award made.[13] Denial of the mandamus petition, essentially on the grounds stated in Judge Hemphill's answer, followed on July 12, 1973 (*infra*, 1a).

Subsequent efforts by petitioners in Rule 37 Motions filed in Florida against Duplan, Texfi and the Burlington group seeking production of documents generated in South Carolina have so far produced no real result. The South Carolina parties have taken the position that they are willing to produce the documents *but only* on the terms and conditions specified by Judge Hemphill. An oral hearing has been requested, but the Florida court has not yet heard the motions.

In short, petitioners are caught in a crosscurrent between the Florida and South Carolina courts. The Florida court believes it appropriate for Celanese and FII to have access to the documentary materials sought but so far has not seen fit to order such access pursuant to Rule 34 or Rule 45. The South Carolina court refuses to exercise its power as an auxiliary court to make the documentation available as a matter of right and will permit *qualified* access *only* on condition that petitioners submit to punishment.

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[13] Various others of the respondents also filed answers defending Judge Hemphill's orders as within the discretion afforded by Rule 26(c) and subject to correction on appeal.

Moreover as matters now stand even Duplan, Texfi and the Burlington group are prohibited from using the South Carolina documents in furtherance of their own case before the Florida court, as well as from producing them in Florida in response to a Rule 34 request or subpoena.

If this situation is not cured promptly, the Florida case may be forced to trial under circumstances such that significant items of relevant evidence are precluded by the orders of the South Carolina court.[11]

REASONS FOR GRANTING THE WRIT

The decision below is in direct conflict with a substantial body of law holding that each federal district court has the duty to aid its sister courts in the search for truth in civil litigation by making available, upon the application of a party to a proceeding in another court, unprivileged documents and testimony within its jurisdiction and control. The principle is well established, having been observed for a century or more. Its preservation is vital to the proper administration of justice in the federal courts.

If allowed to stand, the decision below will have a deterrent effect upon the search for truth in civil litigation because litigants will stand in fear of being severely penalized if they endeavor to obtain nonprivileged third party testimony or documentation through resort to federal courts in districts different from those in which they are litigating. At the same time, judicial usurpation of prerogative to impose fines and penalties will be encouraged and will flourish.

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[11] So far as is known to Celanese and FII, a South Carolina trial date has not yet been set and is not expected to be, pending resolution of Appeal No. 73-1618 now awaiting decision in the Fourth Circuit of Appeals, relating to the propriety of withholding certain documents as "work product".

Of equally vital importance is the district court's nullification of Rule 26(c)'s requirement for a showing of "good cause" as a prerequisite to the imposition of a protective order, which is in conflict with precedent from this court holding that "good cause" as utilized in former Rule 34 and present Rule 35 is no mere formality and involves a showing of substantial need.

A. The Conflict as to the Duty of Federal Courts to Act in Aid of Civil Litigation in Sister Courts by Compelling Testimony and Document Production

Judge Hemphill repeatedly premised his actions either refusing the relief requested, or so qualifying the right to relief as effectively to withhold it, upon an alleged lack of standing to be heard in South Carolina.

In this, his decision is in flat conflict with *Ex parte Uppercu*, 239 U.S. 435 (1915), where a refusal to release pertinent nonprivileged depositions and exhibits on file in one civil case for use in another on grounds the petitioner was not a party to the original case was reversed, the Court stating: "The right to evidence to be obtained from an existing object does not depend upon having an interest in it, or, in a case like this, upon having an interest in the original cause, or upon the object being admissible or inadmissible in the cause for which it was prepared, or upon the right or want of right of the public to examine the thing. The necessities of litigation and the requirements of justice found a new right of a wholly different kind", 239 U.S. at 440.

To the same effect, see *Olympic Refining Co.* v. *Carter*, 332 F.2d 260 (9 Cir. 1964); *American Securit Co.* v. *Shatterproof Glass Corp.*, 20 F.R.D. 196 (D.Del. 1957).[15]

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[15] Other cases recognizing the duty of a federal court to act as an auxiliary in aid of providing evidence to a sister court in civil litigation include, *inter alia*, *Edison Electric Light Co.* v. *U.S. Electric Lighting Co.*, 44 F. 294 (C.C.S.D. N.Y. 1890); *Dowagiac*

The principle is but a part of the general and universal rule of evidence which imposes upon all citizens the duty to give nonprivileged evidence, by providing testimony or documents or both, whenever called upon to do so. See Rule 501 of the proposed uniform Federal Rules of Evidence; see also *United States* v. *Bryan*, 339 U.S. 323, 331-2 (1950); *Hurtado* v. *United States*, 410 U.S. 578 (1973).

B. The Conflicts With Precedent Foreclosing Penalties Absent Statutory Authorization

In effect, Judge Hemphill's order creates an entire new substantive right in the South Carolina parties and, if allowed to stand, in parties analogously situated in other cases—to wit, a right to recover some unspecified part of their litigation expense from any third party who obtains access to the documentary material generated in their case.[16] No statute and no rule authorized the grant of any such substantive right. Rather, the power of federal district courts under Rule 83 to make local rules, *inter alia*, regulating the payment of, and the advancement of security for payment of, ordinary costs is "confined to matters of procedure and may not be construed in a manner which could be said to create a substantive right not otherwise authorized by law", *Adams Dairy* v. *National Dairy Products Corp.*, 293 F. Supp. 1168, 1170 (W.D. Mo. 1968), citing, *inter alia*, *Byram Concretanks, Inc.* v. *Warren Concrete Products Co.*, 374 F.2d 649 (3 Cir. 1967).[17]

Mfg. Co. v. *Lochren*, 143 F. 211 (8 Cir. 1906); and *Horizons Titanium* v. *Norton Co.*, 290 F.2d 421 (1 Cir. 1961).

[16] Logically, Judge Hemphill's ruling, carried to extremity, would require litigants obtaining copies of corporate records to pay some portion of the expense of *preparing* those records.

[17] See also Moore's Federal Practice, Vol. 6, 2d ed. 1972, § 54.73, esp. at p. 1453 and 1457-8 teaching that "security for costs" being a relatively small matter has been treated both before and after

So understood, the decision below is in direct conflict with the cases which preclude imposition of punitive fines and penalties, including attorney's fees, absent express statutory authorization including *Fleischman* v. *Maier Brewing Co.*, 386 U.S. 714 (1967); *McClure* v. *Borne Chemical Co.*, 292 F.2d 824 (3 Cir. 1961); *Baca* v. *Commissioner of Internal Revenue*, 326 F.2d 189 (5th Cir. 1964); *Acker* v. *Commissioner of Internal Revenue*, 258 F.2d 568 (6 Cir. 1958); and *Byram Concretanks*, *supra*.[18]

C. The Conflict as to "Good Cause"

Rule 26(c) specifies conditions precedent to the entry of a protective order. Specifically, such orders may be entered only "[u]pon motion by a party or by the person from whom discovery is sought, and for *good cause* shown".

In this case, *no* motion for a protective order was made either initially when Judge Hemphill entered his *sua sponte* blanket protective order early in the South Carolina case or later at the time of the hearing on petitioners' application for access to the South Carolina documents.

Nor was any showing of "good cause" advanced by anyone, including Judge Hemphill. Thus the decision below constitutes an effective nullification of the specific requirements of Rule 26(c), substituting instead a blanket discretion in the district court to enter protective orders

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the Federal Rules "as a procedural matter involving judicial administration" in civil cases. It is not even open to argument, however, that a penal bond "in the penal sum of $50,000" is of a *de minimus* and hence procedural character.

[18] The bond required by Judge Hemphill being executed solely by authority of a ruling made in excess of his prerogative, to secure a right to which petitioners are entitled under *Upperco*, *supra*, and related cases was executed without consideration and is void. See, *e.g.*, *United States* v. *Simpkins*, 313 1045, 1048 (E.D. Tex. 1970).

whenever it may happen to suit the convenience of the court.

This Court in *Schlagenhauf* v. *Holder*, 379 U.S. 104 (1964), considered with care the "good cause" requirement of Rule 35 and the predecessor to present Rule 34 and concluded as to both, consonant with earlier decisions of the federal appellate courts, "that . . . [the] good cause requirement is not a mere formality but is a plainly expressed limitation on the use of" those rules. As this Court said, good cause requirements "are not met by mere conclusory allegations of the pleadings . . . but require an affirmative showing by the movant" of essential *need* for the action sought.

Rule 26(c) in its present form having been adopted *after* "good cause" was extensively construed in the *Schlagenhauf* case, its good cause requirement may not be dismissed as a mere triviality or formality—and it follows that Judge Hemphill's actions, in conflict with *Schlagenhauf*, constitute a usurpation of prerogative rather than an exercise of permissible discretion.

D. Other Considerations

A fortiori, the decision below is in conflict with a substantial body of precedent from this Court including *Uppercu*, *supra*, *Schlagenhauf*, *supra*, and *Will* v. *United States*, 389 U.S. 90 (1967), which hold in essence that mandamus is a proper means of policing compliance with the procedural rules adopted by this Court for civil cases. The court below evaded this principle by attaching the misnomer "dicretion" to the usurpation of prerogative in which Judge Hemphill indulged. The writ should issue in view of the substantial conflict thus presented.

The writ should also issue in this particular case—a multidistrict case already acknowledged by the Ju-

dicial Panel on Multidistrict Litigation to be "unusual" and important to "commerce in the very important double knit yarn . . . industry" (note 1, p. —, *supra*)— in order to insure that the Florida court has full access to all of the relevant evidence now available only to the South Carolina court. As matters now stand, the Florida court is reluctant to enter an order which might be construed as overruling its sister court in South Carolina while the South Carolina court firmly adheres to the restrictive decision its court of appeals so far has refused to disturb. Petitioners, being caught in the middle, have no really effective remedy if this Court does not act. Indeed, the situation is analogous to that which faced this Court in *Hoffman* v. *Blaski*, 363 U.S. 335, 345 (1960); see also in this connection, *Natta* v. *Zletz*, 379 F.2d 615, 618 (7 Cir. 1967). Issuance of the writ would readily resolve the impasse between the Florida and South Carolina courts as to whether the South Carolina documents will be available for unrestricted use in the Florida case.

CONCLUSION

The petition for writ of certiorari should be granted.

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